



Appropriations Committee
Health Subcommittee
February 24, 2022

Public Hearing on:
House Bill 5037 AAC the State Budget for the Biennium Ending June 30th, 2023
(Department of Developmental Services/ Department of Mental Health & Addiction Services)

Good afternoon/evening, Senator Osten, Representative Walker, Senator Miner, Representative France and members of the Appropriations Committee. My name is Beth Fisher and I am the CEO for Kuhn Employment Opportunities, Inc. Thank you for the opportunity to provide testimony on the state budget.

Kuhn is a nonprofit, community-based human services agency. Our agency serves approximately 400 individuals with disabilities each year via contracts with the State Department of Developmental Disabilities and the Department of Mental Health & Addiction Services. We provide day and employment services that are delivered throughout central Connecticut, with headquarters in Meriden, Connecticut and an office in Middletown Connecticut.

First, thank you for the 4% Cost of Living Adjustment (COLA) for community nonprofits that you fought to include in last year's budget. Tonight I am here to ask you to honor the long term plan to address underfunding of community nonprofits, and increase funding this year by an additional \$461 million, or 8% in total for FY23.

This funding is needed now more than ever. Without it, we risk destabilizing our state's community service delivery system which has been upended by the pressures of COVID-19, rising inflation, and an exponential increase in the need for services in our communities.

At the same time, we're facing unprecedented challenges recruiting and retaining staff of all skill levels and salaries.

Currently, approximately 25% of Kuhn's staff positions are vacant. Despite raising our agency's minimum wage from \$14.75/ hour to \$16.50/ hour this past year, we cannot fill these positions. Job applicants frequently do not show up for interviews once scheduled, and in some cases, do not show up for their first day of work. Those we do onboard leave for higher wages elsewhere. Our seasoned staff are tired from working extra shifts and carrying the burden of direct care staffing shortages. In our DDS-funded programs, each day is a scramble to ensure we have the necessary staffing to safely serve individuals with intellectual disabilities. Sadly, several days each week, we find ourselves cancelling services for some individuals because we simply do not have enough staff, and many days, this is after assigning managers and directors to provide direct support services. Our staff and the individuals we serve are paying the price for over a decade of underfunding. This staffing crisis impacts our agency on all levels. Business operations suffer when managers and directors are unable to do their own jobs because they need to provide direct care coverage.

Human services are now in competition with companies like Amazon and Walmart that require no specialized training, are paying more and offering more hiring incentives.

The increase in this year's budget, while very much appreciated, has quickly been absorbed by rising costs. Over the last year, inflation rose by almost six percent, surpassing the COLA in the current year's budget.

And as challenging as the staffing crisis is, we also face rising costs in employee health benefits. Motor vehicle insurance for Kuhn's van fleet that is used to get program participants to and from work is up 10%, and this past year we had thirteen catalytic converters stolen from our vans despite investing in multiple video cameras and upgraded lighting in our parking lot. Replacement vehicles are sorely needed, but now cost \$10,000 more for the same vehicle compared to last year. Basic program and office supplies cost more as well.

Nonprofit Providers funded by the Department of Developmental Services are grateful for the efforts of the Appropriations Committee and Governor Lamont to address wage and funding issues specific to services for the Intellectual/Developmental Disabilities population. Last year's Group Home Settlement provided significant funding to increase the minimum wage for direct support staff in DDS-funded programs.

However, the group home settlement also created significant challenges:

- First, the terms of the settlement provided wage increases of as much as 11.6% for entry level staff, which next year will increase to 14.5%. But the agreement only provides a 3% increase to everyone else. Staff who before July were making only slightly above the new minimum, often people who had years or decades of experience or managing other staff, found themselves suddenly paid almost the same as a new hire.
- Second, the funding dedicated a pool of dollars to enhance employee benefits, but to date none of that funding has been disbursed to providers. We understand it to total less than half what providers have told DDS they would need.

Recently, I conducted an exit interview with a direct support staff that was leaving Kuhn after fifteen years. When asked why she was leaving she told me she could no longer be a burden to her young adult children. She was angry. She had worked her way up to over \$15.00/ hour and while her payrate rose to \$16.50/ hour based on the increases from the group home settlement, she was now training new staff earning the same as her. She told me that she was taking a job in a shipping and receiving facility. She knew she would hate the work, but it paid nearly double. She cried because she would miss the individuals she had supported for so many years.

Wage compression challenges also exist in Kuhn's DMHAS funded supported employment programs. Unlike our DDS-funded staff, staff working in these programs require a minimum of a Bachelors degree. While we are grateful for the 4% increase to address staff salaries in these programs, for us, this meant a new entry level wage of of \$16.64; just fourteen cents per hour more than our non-bachelors prepared DDS-funded staff. This untenable situation required our agency to raise those staff wages beyond the level of funding provided just to get job candidates in the door.

We need to attract people to human services, not push them away.

I urge the Appropriations Committee to fight for funding for nonprofit programs our organizations provide on behalf of the State of Connecticut by implementing The Alliance's plan for a \$461 million increase.

Please also support the following proposals by Governor Lamont from the American Rescue Plan Act for DDS:

- \$5 million in FY23 for infrastructure improvements for public and privately-owned camps.
- \$5 million in FY23 to provide additional recreational and leisure opportunities to facilitate socialization and connections as the state emerges from the pandemic.

Finally, while the Governor's proposed budget offers new behavioral health services and initiatives, for which we are thankful, **it does not provide support to existing programs that are struggling to keep up with the demand for services.** These new, proposed services are necessary and I ask that you please support the programs proposed in the Governor's budget, including:

- Expanding Mobile Crisis services to be available 24/7 using ARPA funding, which will be important especially as the state rolls out 9-8-8.
- 26 new community placements from CVH and Whiting
- Funding to place peer support specialists in Connecticut's 12 busiest hospitals. This will improve the connection to services of people who are hospitalized with a mental health crisis or who go to the emergency room. It is important to note, however, that this program will increase referrals to existing community programs, and increase in demand which is not funded in the proposed budget.

Thank you for your time.

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